



# Terms and Conditions

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ver. 05.19

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## 1. Introduction

1.1. This Agreement is entered by and between Conotoxia Ltd (hereinafter called “the Company”, “Company” or “us”) on the one part and the Client (“Client” or “you”) on the other part.

1.2. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission as a Cyprus Investment Firm to offer certain Investment and Ancillary Services and Activities under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2007, Law 87(I)/2017, as subsequently amended or replaced from time to time (“the Law”), with CIF license number 336/17. Company is registered in Cyprus under the Companies Law, with registration number HE 351239. Its registered office is at Themistokli Dervi 3, JULIA HOUSE, 1066, Nicosia, Cyprus.

1.3. This Client Agreement together with its Appendices added thereto and the following documents, as amended from time to time: “Conflicts of Interest Policy”, “Best Execution Policy”, “Risk Disclosure”, “Client Categorization Policy”, “Investor Compensation Fund”, “Client Compliance Policy”, Leverage Policy, “Privacy Policy” (all together, the “Agreement”) set out the terms upon which the Company will offer Services to the Client, the rights and obligations of both Parties and also include important information which we are required as an authorized Cyprus Investment Firm to provide to our prospective Clients under Applicable Regulation. By applying for our services, you are consenting to the Terms and Conditions of all the above mentioned documents which form the Agreement and it means that in the event that you are accepted by us as our Client, you and us shall be bound by these Terms and Conditions. For this reason, you are advised to take sufficient time to carefully read all the above mentioned documents which form the Agreement as well as any other information available to you via our Website and make sure that you understand and agree with them before entering into an Agreement with us. You are also advised to read our “Terms and Conditions for the use of the Website”. You should contact us if any further clarification is needed.

1.4. The Distance Marketing of Financial Services Law N. 242(I)/2004, which implements EU Directive 2002/65/EC, applies and we shall provide you by with the documents that form the Agreement. Agreement do not have to be physically signed by either the Client or the Firm in order for both parties to be legally bound by it. If The Client wish to have it signed he/she may print it and sign two copies of the Agreement and sent them back to us. We shall keep one copy for our records and send back the other one signed by us as well.

1.5 The Company advises the Client to familiarize himself, prior to investing in OTC Markets, with the market specifics and technical conditions of the Trading Platform through which he will enter into transactions. In particular, it recommends using the demo version of the Trading Platform. The Company notes that the actual result of the investment may differ significantly from the result obtained in the demo version of the Trading Platform.

## 2.2. Interpretation of Terms

**Access Data** - shall mean credentials (login and password) used to log into Client CRM Portal as well as credentials used to log into Client’s Trading Account. In some cases login may be the same as Account number

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**Account Opening Application Form** - shall mean the application form/questionnaire completed by the Client in order to apply for the Company's Services under this Agreement and a Client Account, via which form/questionnaire the Company will obtain amongst other things information for the Client's identification and due diligence, his categorization and appropriateness or suitability (as applicable) in accordance with the Applicable Regulations

**Agreement (or Client Agreement)** - shall mean this Terms and Conditions together with all Announcements, any other Appendices added thereto and the following documents: Client Categorization Policy, Investor Compensation Fund, Conflicts of Interest Policy, Best Execution Policy, Risk Disclosure Clients Complaints Policy, Privacy Policy, as amended from time to time

**Announcement** - shall mean the information related to provided services disclosed to Clients on the Company's Website

**Applicable Regulations** - shall mean (a) CySEC Rules or any other rules of a relevant regulatory authority having powers over the Company; (b) the Rules of the relevant Market; and (c) all other applicable laws, rules and regulations of Cyprus or of the European Union

**Ask Price** - shall mean the price in a Quote at which the Client may buy an instrument

**Balance** - shall mean the amount of money on the Client Trading Account after the last Transaction and depositing/withdrawal operations

**Bid Price** - shall mean the price in a Quote at which the Client may sell an instrument

**Business Day** - shall mean any day, other than a Saturday or a Sunday, or the 25th of December, or the 1st of January or any other Cyprus or international holidays to be announced on the Company's Website

**Client Trading Account (or Account)** - shall mean the unique personalized account of the Client consisting of all Transactions, Open Positions and Orders on the Trading Platform and the Balance of the Client money

**Closed Position** - shall mean two counter deals of the same size (opening a position and closing a position)

**Contract for Difference (or CFD)** - shall mean a contract, which is a contract for differences by reference to variations in the price of an Underlying Asset. A CFD is a Financial Instrument

**Contract Specification Document** - shall mean the trading terms (for example Spread, Swaps, Lot Size, Margin requirements, Financing charges, Underlying Instruments etc.) for each type of Financial Instruments as determined by the Company from time to time

**CySEC** - shall mean the Cyprus Securities and Exchange Commission, which is the Company's supervisory authority

**Disclosure to Clients** - shall mean making information available on the Website of the Company. Information is available also at the Client CRM Portal and by telephone at the telephone numbers appropriate for placing Phone Instructions;

**Equity** - shall mean the Balance plus or minus any Floating Profit or Loss that derives from an Open Position and shall be calculated as:  $Equity = Balance + Floating Profit - Floating Loss$

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**Financial Instrument (or Instrument)** - shall mean the Financial Instruments under the Company's CIF license.

**Force Majeure** - shall have the meaning as set out in paragraph 28

**Leverage** - for margin trading shall mean a ratio in respect of Transaction Size and Initial Margin. 1:100 ratio means that in order to open a position, the Initial Margin is one hundred times less than the Transactions Size

**Liquidity Provider** - shall mean the technological partner of the Company responsible for providing Quotes and Execution of Clients orders for the Financial Instruments.

**Lot** - shall mean a unit measuring the Transaction amount specified for each Financial Instrument

**Lot Size** - shall mean the number Underlying Assets in one Lot

**Margin** - shall mean the necessary margin required by the Company so as to open a position

**Margin Call** - shall mean the situation where Clients Margin Level drops below percentage level set by the Company, what results in informing the Client to deposit additional Margin to maintain Open Positions

**Margin Level** - shall mean the percentage level of Equity to necessary Margin when the Company informs the Client to deposit additional Margin when the Client does not have enough Margin to maintain Open Positions

**Open Position** - shall mean any open Long Position or a Short Position which is not a Closed Position. Long Position is the result of executed Buy Order, Short Position is the result of executed Sell Order

**Order** - shall mean an instruction from the Client to trade in Financial Instrument. Client may place a Buy Order (to buy an Instrument) and Sell Order (to sell an Instrument). Order placed with use of automatic scripts is recognized as placed by the Client

**OTC Market** - unregulated "Over The Counter" market created by banks, financial institutions and other entities;

**Parties** - shall mean the parties to this Client Agreement – the Company and the Client

**Phone Order** - shall mean an instruction (Order) submitted by the Client over the telephone

**Quote** - shall mean the information about the current price for a Financial Instrument, in the form of the Bid and Ask prices

**Services** - shall mean the services to be offered by the Company to the Client under the Agreement, as set out in paragraph 6.1. of the Terms and Conditions

**Spread** - shall have the meaning as set out in paragraph 9.3

**Stop Out** - shall mean the situation where Clients Open positions are being closed. Open positions will start being closed partially until Margin Level reaches above Stop Out. Positions are closed starting from the largest one.

**Costs and Charges** - shall mean the document specifying fees that Company charges related to the Service provision

**The Client** - shall mean a natural person who has completed the Account Opening Application Form and has been accepted by the Company as a Client

**The Company** - shall mean Conotoxia Ltd. registered in Cyprus under the Companies Law, with registration number HE 351239, authorized and regulated by the Cyprus Securities and Exchange Commission as a Cyprus Investment Firm with license number 336/17.

**Trading Platform** - shall mean the electronic mechanism operated and maintained by the Company, allowing to facilitate trading activity of the Client in available Financial Instruments via the Client Trading Account

**Transaction (or Trade)** - shall mean an executed Order

**Transaction Volume (or Volume)** - shall mean Lot Size multiplied by number of Lots

**Website** - shall mean the Company's website at <http://www.forex.conotoxia.com> or any other website maintained by the Company, registered in CySEC's approved domains list

### 3. Commencement and Right to Cancel

3.1. The Client fills in and submits the Account Opening Application Form together with all the identification documentation required by the Company for its due diligence and "Know Your Customer" procedures. Completion of above mentioned procedures result in sending to The Client a notice informing him whether he has been accepted as a Client of the Company.

3.2 The Client acknowledge that the Company will not accept a person as its Client until all documentation it requires has been received by the Company, properly and fully completed by such person and all internal Company checks (including without limitation anti-money laundering checks, appropriateness or suitability tests as the case may be) have been satisfied. It is further understood that the Company reserves the right to impose additional due diligence requirements to accept Clients residing in certain countries.

3.3. The Agreement shall take effect and commence upon the receipt by the Client of a notice sent by the Company informing the Client that a Client Trading Account has been opened for him. A notice shall be sent by the Company to an e-mail address defined by a Customer.

3.4. The Client may cancel the Agreement by giving us notice in writing within first fourteen (14) days after commencement date. Right to cancel the Agreement will not stand if the Client enter into any trade and such trade have been affected by any price fluctuation.

3.5 If the Client do not cancel the Agreement as described in paragraph 3.4, the Agreement will continue to be in effect unless terminated in accordance with the relevant provisions of the Agreement.

### 4. Client Categorization

4.1. According to Applicable Regulations, the Company has to categorize its Clients in one of the following categories: Retail Client, Professional Client or Eligible Counterparty. The categorization shall depend on the information provided by the Client in his Account Opening Application Form and according to the method of categorization as this method is explained under the document "Client Categorization Policy". By accepting this Agreement Client accepts application of such method. The Company will inform

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the Client of his categorization according to Applicable Regulations. The Client has the right to request different categorization.

4.2. The Client accepts that when categorizing the Client and dealing with him, the Company will rely on the accuracy, completeness and correctness of the information provided by the Client in his Account Opening Application Form and the Client has the responsibility to immediately notify the Company in writing if such information changes at any time thereafter.

4.3. It is understood that the Company has the right to review the Client's Categorization and change his categorization at the Firm's discretion. The Client shall be notified in writing by the Firm in relation to the above.

## 5. Appropriateness

5.1. The Company, in regards to provide the Services, seeks information from a Client or potential Client regarding his knowledge and experience in the investment field to assess whether the service or Financial Instrument is appropriate for the Client. The Client is obliged to provide all the information to allow the Company to determine whether the service or Financial Instrument is appropriate for him. The Company shall have no responsibility to the Client if such information is incomplete or misleading.

5.2. If, on the basis of information received from the Client, the Company will assess that the service is inappropriate for the Client, the Company warns the Client in writing or by means of electronic media or not accept the client to provide the investment services according to the Product Governance Policy.

## 6. Services

6.1 The Company offers to the Client, on an execution-only basis, an access to a number of Financial Instruments. Trading on a Financial Instruments is possible within a framework specified in Contract Specification Document which is disclosed to Clients on the Company website as well as is accessible in the Client CRM Portal. It is the Client responsibility to familiarize with the offered Financial Instruments specifics.

6.2 The Client understand that no physical delivery of a CFD's underlying instruments occurs under this Agreement.

6.3 The Company, within the scope of this Agreement, do not provide investment advice or any other recommendation.

6.4. The Company is entitled to refuse the provision of any investment or ancillary service to the Client.

## 7. Trading Platform

7.1 Information defining requirements for the equipment that ensures safe access and full use of the Trading Platform are disclosed to Clients. The Client is solely responsible for meeting the requirements including the provision of the internet access.



7.2 The Company will not be liable for any disruptions or delays or problem in any communication experienced by the Client when using the Trading Platform.

7.3. In the event of scheduled maintenance work, the Company may temporarily disable access to the Trading Platform. Information on the date and duration of non-access shall be disclosed to Clients.

7.4. Orders are placed on the Trading Platform with the use of Access Data. It is agreed and understood that the Company will be entitled to rely and act on any Order given by using the Access Data on the Trading Platform or via phone, and any such Orders will be binding upon the Client. The Client's order is considered as placed at the moment when the Company was able to familiarize with its content, not earlier than the Company's information system receives via the Internet an information about Client's Order specifics.

7.5. The Company may restrict at its sole discretion available functionalities in Trading Platform. The Client may use all functionalities available in Trading Platform.

## 8. Security, Authentication and Access

8.1. The Client agrees to keep confidential at all times and not to disclose his Access Data to any third person. The Company may treat any person who accesses using your Access Data as being you without enquiring into this further.

8.2. The Client should not write down his Access Data. If the Client receives any written notification of his Access Data, he must destroy the notification immediately.

8.3. The Client agrees to notify the Company immediately if he knows or suspects that his Access Data have or may have been disclosed, intentionally or unintentionally, to any unauthorized person. The Company will then take steps to prevent any further use of such Access Data and will issue replacement Access Data. The Client will be unable to place any Orders until he receives the replacement Access Data. The Client acknowledge that the Firm shall bear no responsibility for any loss that arises as a result of the Client's actions and/or omissions.

8.4. The Client immediately inform Conotoxia Ltd if it comes to his/her attention that the Access Data or any other information have been used or have become known without his/her consent. The Client agrees that he will co-operate with any investigation the Company may conduct into any misuse or suspected misuse of his Access Data.

8.5. The Client acknowledges that the Company bears no responsibility if unauthorized third persons gain access to information, including electronic addresses, electronic communication, personal data, Access Data when the above are transmitted between the parties or any other party, using the internet or other network communication facilities, post, telephone, or any other electronic means.

8.6. If the Company is informed from a reliable source that the Access Data of the Client may have been received by unauthorized third parties, the Company may, at its discretion without having an obligation to the Client, suspend the Client Trading Account.

## 9. Quotation rules

9.1. The Company presents in the Trading Platform Buy and Sell offers (Bid and Ask Prices) of Financial Instruments. The source of the quotations are Liquidity Providers chosen by the Company. When

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choosing the Liquidity Providers the Company shall be diligent, taking care to protect the rights of the Client and takes into account the level of expertise and the opinion that the entity enjoys. In addition, the Company takes into account the best interests of Clients, the scale of activity and the partner's experience as well as the quality of the offered service.

9.2. Presentation of Bid and Ask Prices takes place during the trading hours specified in the Contract Specification Document disclosed to Clients.

9.3. The difference between the Bid and Ask Prices is the transactional Spread. The transactional Spread presented in the Trading Platform may change over time depending on the offers provided by Liquidity Providers.

9.4. Spreads derived from the Bid and Ask Prices provided by Liquidity Providers may be increased by additional spread of the Company.

9.5. The Company may suspend the presentation of Bid and Ask Prices for a specific Financial Instrument in the following cases:

1) suspension of quotations of the underlying instrument,

2) lack of market quotations of underlying instruments,

3) the occurrence of any of the events referred to as Force Majeure, among others natural disasters, armed conflicts, acts of terrorism, riots, strikes, prolonged power outages, closure of the market on which underlying instruments are quoted, suspension of listing of particular Financial Instruments, changes in trading rules that prevent execution of trades on the basis of the existing rules,

4) discontinuance of the submission of quotes by the Liquidity Provider,

5) in a different situation, which will result in the impossibility of delivering quotes by the Liquidity Providers.

9.6. The prices of Financial Instruments other than those presented in the Trading Platform, in particular those offered by a third party services, systems or publications, may not be the basis for the Client's request to determine the terms of the transaction. A reference source of quotes, in particular, in the case of a Customer's complaint regarding the quotation of a Financial Instrument, are the quotations provided by the Liquidity Providers with whom Company has a liquidity agreement.

## 10. Placement and Execution of Orders

10.1. The Client may place Orders directly on the Trading Platform, by using his Access Data issued by the Company for that purpose and providing all the required details listed in paragraph 10.5, or via Phone.

10.2. Orders are executed according to the "Best Execution Policy", which are binding on the Client.

10.3. Orders may be placed within the hours when the Trading Platform is available to access.

10.4. Prior to submitting the Order, the Client is obliged to acknowledge the Contract Specification Document concerning offered Financial Instruments. By placing an Order, the Client agrees to the terms and conditions set forth in the abovementioned document.

10.5. The order in particular should include:



- 1) name and surname and Client's Trading Account number,
- 2) the name of the person placing the Order,
- 3) the date and time of placing,
- 4) instrument name and amount of Financial Instruments being the subject of the Order,
- 5) side of the Order (buy, sell);
- 6) price limit if relevant,
- 7) validity of the Order,
- 8) currency of the Account,
- 9) other elements if required by law,
- 10) other elements if required due to the specifics of the Financial Instrument and Trading Platform requirements.

10.6. When placing an Order, the Customer is obliged to have available funds on the Account to establish the margin. In addition when placing the opening Order, the Client is obliged to hold cash in the amount equal to the expected commissions payable for the Order execution.

10.7. Specified amount of margin shall be blocked on the Client's Trading Account for Open Positions and the required margin is the sum of the margins for all Open Position. The required amount of margin is subject to the permanent recalculation, based on current Financial Instrument price.

10.8. The Company determines and discloses to its Clients, in Contract Specification Document, information about the margin levels for each Financial Instrument.

10.9. Orders may be executed within the trading hours specified in Contract Specification Document.

10.10. Orders shall be executed in the order of their reception by the Company. If the Order contains additional terms of execution, activation and placing of the Order shall be made immediately upon fulfillment of these conditions.

10.11. Unless specifically instructed by the Client to the contrary and to the extent permitted by law, the Company may execute the Client's orders upon any market or exchange and through any clearing house selected by Company, including executing a transaction outside a trading venue. The Client hereby expressly consents to the execution of orders on behalf of the Client by the Company outside a trading venue.

10.12. Upon the request from the client for the information about the Company's policies and arrangements regarding execution the Company is obliged to present such information to client within a reasonable time.

## 11. Phone Instructions

11.1. The Company accepts Client Orders and Instructions submitted over the telephone, amongst which in particular are:

- 1) buy and sell Orders of Financial Instruments,
- 2) instructions concerning the withdrawal of money deposited on Client's Trading Account.

11.2. The Client intending to place Order/Instruction over the telephone shall be identified in accordance with internal phone handling identification procedure

11.3. The Client submitting the Phone Order is obliged to provide all the details essentials to execute the Order.

11.4. Employee receiving a Phone Order, in order to ensure its content, shall repeat the Order details requesting confirmation from the Client. In such case, the Order is deemed to have been submitted as such, as repeated by the employee and confirmed by the Client.

11.5. A Phone Order is deemed to have been received at the time of confirmation of the fact by the Company employee.

11.6. The Company may refuse to receive a Phone Order if there are any doubts about the identity of the person submitting the Order, the content of the Order due to a defect in the telecommunications transmission, or the erroneous or incomplete description of the Order and other circumstances that cast doubt on the correctness of the Order.

11.6. The Company does not accept any liability in case of misunderstanding, error in the identification of the person giving the instruction or other errors on its part related to such method of communication and which may involve losses or other inconveniences for the Client. If the Client undertakes transactions on an electronic system, he will be exposed to risks associated with the system including the failure of hardware and software (Internet / Servers). The result of any system failure may be that his order is either not executed according to his instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure. The Company reserves the right not to execute instructions transmitted by telephone or email. Telephone conversations may be recorded, and the client will accept such recordings as conclusive and binding evidence of the instructions.

## 12. Order Types

12.1. Trading Platform allows the Client to submit the following Order types:

- 1) Market - direct order placed on the market and executed at first available market price;
- 2) Limit - order is activated and directed to the market when the current Bid or Ask Price reach the price specified in the Order. At the time of placing the Order, the price in the Buy Order is lower than the current Ask Price, analogically the price in the Sell Order is higher than the current Bid Price;
- 3) Stop - order is activated and directed to the market when the current Bid or Ask Price reach the price specified in the Order. At the time of placing the Order, the price in the Buy Order is higher than the current Ask price, analogically the price in the Sell Order is lower than the current Bid Price;
- 4) Stop Loss - a condition that triggers a Closing Order when the current Bid or Ask Price reach the level specified in the Order. This order is placed to reduce losses from an Open Position.

5) Take Profit - a condition that triggers the Closing Order for an Open Position to book a financial result. Condition is met when current Price reach a level set by the Customer.

6) Trailing Stop - a mechanism that automatically changes the price of a Stop Loss order taking into account current Bid and Ask Prices. The parameter specifies the difference between the current Bid and Ask Prices and the Stop Loss order level, including limitations resulting from the Contract Specification Document;

12.2. When submitting Orders mentioned above in pt. 12.1.2-12.1.6, Client determines price at which the Order is activated. Orders are filled at prices that, due to market volatility, may differ from the prices at which Order has been activated. Execution may occur at less favorable rate than that specified in the Order. Customer bears the risk of execution of Order at less favorable price than indicated in the Order, in particular a Stop Loss Order may not provide assumed limitation of loss on the Open Position. Execution of the Order at a more favorable rate than specified in the Order is the Client's benefit.

## 13. Decline of Client's Orders

13.1 Without prejudice, the Company may refuse to accept an Order in any of the following cases:

- 1) A Force Majeure Event has occurred,
- 2) Company is unable to provide quote for the Financial Instruments due to lack of information from the Liquidity Provider,
- 3) Where the Order does not contain all the data referred to in pt. 10.5,
- 3) Where the Order volume exceeds the maximum value specified in the Contract Specification Document for a given instrument,
- 4) Lack of sufficient funds for a Margin purpose on Clients Trading Account,
- 5) In an Event of Default of the Client,
- 6) The Company has sent a notice of Termination of the Agreement to the Client.
- 7) In other situations resulting from the provisions of the Law and the provisions of the Agreement.

13.2. The Company shall immediately inform the Client by electronic means about any material circumstances preventing the proper execution of the Order submitted by the Client.

## 14. Margin Call, Stop Out

14.1. The Company determines and discloses to its Clients an Announcement about the warning levels (Margin Call) and minimum level (Stop Out).

14.2. If, as a result of the current market situation, the value of the Client's Trading Account decrease below the Margin Call level, the Company informs the Client about the occurrence by a message transmitted via Trading Platform.

14.3. If the value of the Account falls below the minimum value (Stop Out) calculated from required Margin, the Company has the indisputable right to automatically, without having to obtain Client's consent, cancel active orders and close Open Positions. Open position closure is made by placing by the Company,

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on behalf of the Client, closing order with Market type. Open Positions are closed according to FIFO (First In, First Out) rule until the Account value exceeds the calculated level of Stop Out.

14.4. The Company may change the level of the required margin by disclosing the information to the Clients. In the event of a change in the margin levels, the Client who has an Open Position which will be affected with the change will be informed by telephone, by e-mail or via Client CRM Portal within no less than 7 days before the change, subject to 14.5.

14.5. The Company may change the level of the required margin immediately, after prior notification to the Clients having Open Positions, in case of Force Majeure; and in cases where the Company has a reasonable expectation that exceptional market price fluctuations may occur, the significant reduction of liquidity on the market of the underlying instrument or other extraordinary market events of the underlying market. The Company shall notify Client's about the change by telephone, by e-mail or via Client CRM Portal.

## 15. Reporting and Trade Confirmations

15.1 The Company shall provide the Client with reporting on his Orders. In order to comply with CySEC Rules in regards to client reporting requirements, the Company will provide the Client with a continuous and online access to his Account via the Trading Platform. The Client will be able to see in his Account the status of his Orders, confirmation of execution of the Order as soon as possible including details such as: execution time, placing time, Order type, venue identification, instrument name, side of the trade, the nature of the Order, execution price, volume, total sum of commissions and expenses.

15.2. Confirmation of execution of the placed Orders is provided to the Client via the Trading Platform and via e-mail when requested.

15.3 A customer who is a financial counterparty or a non-financial counterparty within the meaning of the EMIR Rules is obliged to verify correctness of transaction confirmation, and in case of any objections to the details, to submit them to the end of the first business day following the receipt of the confirmation. No expressed objections by the Client, means the content of the trade confirmation is considered as approved and correct.

## 16. Client Money Handling Rules

16.1 Unless otherwise agreed with the Client in writing and to the extent allowed under Applicable Regulations, the Company will deal with any funds that it holds for the Client in accordance with the Applicable Regulations. This means that Client funds will be segregated from the Company's own money and cannot be used in the course of its business. The Company will promptly place any Client money into one or more Segregated Account(s).

16.2 The Company shall not account to the Client for profits or interest earned on Client money (other than profit gained through trading Transactions from his Client Trading Account under this Agreement) and the Client waives all right to interest.

16.3 The Company may deposit Client money in overnight deposits and will be allowed to keep any interest.

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16.4 The Company may hold Client money and the money of other clients in the same bank account (omnibus account).

16.5 The Company may deposit Client money with a third party who may have a security interest, lien or right of set-off in relation to that money.

16.6 In case where the financial instruments or funds of that client may be held by a third party on behalf of the Company, the Company takes full responsibility under the applicable national law for any acts or omissions of the third party.

16.7 The Company is a member of the Investors Compensation Fund (ICF). So, depending on his classification, the Client may be entitled to compensation from the ICF in the event that the Company is unable to meet its obligations. More details are found in the Company's document "Investor Compensation Fund".

16.8 The Company shall have a general lien on all funds held by the Company or its Associates or its nominees on the Client's behalf until the satisfaction of his obligations.

16.9 The Company will carry out reconciliations of records and Client Money with the records and accounts of the money the Company holds in the Segregated Client Account(s) on a daily basis. If a transfer is required to or from the Segregated Client Account(s) this will be done three times every week. The Company has the right, but not an obligation, to carry out reconciliations and transfers more frequently, if it considers that this is necessary to protect the Company's or a Client's interests.

## 17. Client Trading Accounts

17.1. Client Trading Accounts may be opened in a range of currencies specified in the Announcement disclosed to the Clients.

17.2. When filling an Account Opening Application Form, the Client shall indicate the currency in which the Company opens the Client's Trading Account.

17.3. Investment effect on closing of a position and commission on a transaction expressed in the currency of a Financial Instrument are recalculated into the Account currency according to the cross rates determined on the basis of the latest offers presented in the Trading Platform.

17.4. The Company may limit an amount of opened Accounts for one Client by communicating it through the Announcement.

17.5. The funds deposited on the Client's Trading Accounts may be subject to interest. In such case, information about the details will be disclosed to Clients in an Announcement.

## 18. Deposits

18.1. Deposits into Clients Trading Account may be processed with use of one of the method made available to its Clients by the Company.

18.2. In the event of a Deposit to a Client's Trading Account in a different currency than the Account Currency, the currency conversion is effected by the bank in which the Client's cash is deposited, at the exchange rates applied by the bank.

18.3. Deposit on the Client's Trading Account shall be made immediately, but not later than on the next working day after the cash is transferred to the Company's account.

18.4. The Company does not execute the Client's instruction to transfer funds between the Client's Trading Accounts.

## 19. Withdrawals

19.1. Withdrawals from the Clients Trading Accounts may be processed with use of one of the method made available to its Clients by the Company.

19.2. The Client may not withdraw money to a bank accounts which he does not own. By submitting a Withdraw instruction, the Client is required to indicate the bank account belonging to him.

19.3. The Client is allowed to withdraw from Account an excess over the Margin Call (warning) level. The Company draws the Clients' attention to the fact that if the withdrawal is made in the maximum available amount, small change of the financial instrument price may result in immediate, automatic closure of Customer Opened Positions.

19.4. The Company has the right not to execute the Client's Instructions to which it may reasonably suspect that it is related to the introduction into the financial market of property values derived from illegal or undisclosed sources. In such case, the Company will take action according to the law.

19.5. Withdrawal shall be made immediately in the Company working hours, no later than the next working day after submission of the Withdrawal.

## 20. Lien

20.1. The Company shall have a general lien on all funds held by the Company on the Client's behalf until the satisfaction of his obligations under this Agreement.

## 21. Fees, Taxes and Inducements

21.1. The Company shall charge the Client fees and commissions, according to the Costs and Charges, for the provided services.

21.2. The Company may temporarily suspend or reduce the amount of the fees and commissions charged based on the Costs and Charges. Such information shall be disclosed to the clients.

21.3. Fees and commissions are debited by the Company on the Clients Trading Account without a separate clients Instructions.

21.4. Commissions for the order execution shall be collected at the time of the execution of the transaction.

21.5. As stated in pt. 9.4 the Company may increase the spread derived from the Liquidity Providers offers by additional spread of the Company.

21.6. Should the Company pay or receive any fees or inducements for the introduction of the Client, it shall notify the Client accordingly to Applicable Regulations.



## 22. Swaps and Financing

22.1. In case of maintaining Open Positions on Forex Financial Instruments until the end of the Business Day (17:00 EST), the Company shall calculate the swap points for each position remaining open at the end of the Business Day.

22.2. The amount to be debited or credit to the Client's Trading Account is derived from the swap points specified by the Company in the Contract Specification Document.

22.3. Amounts resulting from swap points, shall be credited or debited to the Client's Trading Account at the time of their accrual.

22.4. In case of maintaining Open Positions on CFD Instruments until the end of the Business Day (17:00 EST), the Company shall calculate the financing points for each position remaining open at the end of the Business Day. Amounts resulting from financing points, shall be credited or debited to the Client's Trading Account at the time of their accrual

22.5. The amount to be debited or credit to the Client's Trading Account is derived from the financing points specified by the Company in the Contract Specification Document.

## 23. Language

23.1. The Client acknowledge that the Company's official language is the English language and the Client should always read and refer to the main Website in English language for all information and disclosures about the Company and its activities. Translation or information provided in any other languages other than English is for informational purposes only and do not bind the Company or have any legal effect. In the event of a dispute the respective English version shall prevail.

## 24. Methods of Communications and Written Notices

24.1. Unless the contrary is specifically provided in this Agreement, any notice, request or other communication to be given to the Company by the Client (other than placing Orders) shall be sent via the registered in the company records email of the Client, by telephone (registered in company records, so long as the Company is able to confirm the Clients identity according to paragraph 11.2) or in writing to the Company's address and shall be deemed delivered only when actually received by the Company at:

- a) Address: Chryssorroiatissis 11, 3032 Limassol, Cyprus
- b) E-mail: forex@cy.conotoxia.com

24.2. In order to communicate with the Client, unless specifically instructed otherwise, the Company may use any of the following methods: e-mail, Client CRM Portal, telephone, post, or the Company's Website.

24.3. The following methods of communication are considered as Written Notice from the Company to the Client: e-mail, Client CRM Portal or the Company's Website.

24.4. The following methods of communication are considered as Written Notice from the Client to the Company: e-mail, Client CRM Portal or post.

24.5. Without prejudice to paragraph 24.8., any communications sent to either Party, as applicable, (documents, notices, confirmations, statements, reports etc.) are deemed received:

- (a) If sent by email, within one hour after emailing it and provided the email has left from the sender's outlook,
- (b) If sent by the Client CRM Portal, immediately after sending it,
- (c) If sent by telephone, once the telephone conversation has been finished,
- (d) If sent by post, seven calendar days after posting it,
- (e) If posted on the Company Webpage, within one hour after it has been posted.

24.6. In order to communicate with the Client the Company will use the contact details provided by the Client whilst opening the Client Trading Account or as updated later on. The Client has an obligation to notify the Company immediately of any change in the Client's contact details.

24.7. The Client shall be able to call the Company within its normal working hours. The Company may contact the Client outside its normal working hours.

24.8. Any Written Notices sent to the Company shall have to be received within the working hours of the Company. Notwithstanding paragraph 24.5., any Notices received outside the normal working hours shall be treated as being received the following Business Day.

## 25. Personal Data, Confidentiality, Recording of Telephone Calls and Records

25.1. The Company will use, store, process and handle personal information provided by the Client in connection with the provision of the Services, in accordance the Processing of Personal Data (Protection of the Individual) Law of 2001.

25.2. The Company shall provide the Client with confidentiality about the possession, turnover, balance of the Accounts, Orders details, executed transactions, the scope of provided services and the Client's personal data within the boundaries set by separate regulations.

25.3 The Company may collect client information directly from the Client (in his completed Account Opening Application Form or otherwise) or from other persons including, for example, credit reference agencies, fraud prevention agencies and the providers of public registers.

25.4. By accepting the Terms and Conditions, the Client agrees and authorizes the Company to disclose Client information (including recordings and documents of a confidential nature) in the following circumstances:

- a) Where it is necessary to perform the client's due diligence and for the purpose of ongoing monitoring/updating client's profile
- b) Where required by law or a competent Court,
- c) Where requested by CySEC or any other regulatory authority having control or jurisdiction over the Company or the Client or their associates or in whose territory the Company has Clients,
- d) To relevant authorities to investigate or prevent fraud, money laundering or other illegal activity,

e) To the Company's professional advisors provided that in each case the relevant professional shall be informed about the confidential nature of such information and commit to the confidentiality herein obligations as well,

f) To credit reference and fraud prevention agencies, third authentication service providers and other financial institutions for credit checking, fraud prevention, anti-money laundering purposes, identification or due diligence checks of the Client. To do so they may check the details the Client supplied against any particulars on any database (public or otherwise) to which they have access. They may also use Client details in the future to assist other companies for verification purposes. A record of the search will be retained,

g) To other service providers who create, maintain or process databases (whether electronic or not), offer record keeping services, email transmission services, messaging services or similar services which aim to assist the Company collect, storage, process and use Client information or get in touch with the Client or improve the provision of the Services under this Agreement,

h) To data reporting service providers,

i) Where necessary in order for the Company to defend or exercise its legal rights,

j) At the Client's request or with the Client's consent.

25.5. Orders and instructions placed by the phone shall be recorded on durable mediums that allow them to be read throughout the retention period specified in the Applicable Regulations. Recordings will be the sole property of the Company

25.6. The Client accepts that recordings, referred to in paragraph 25.5. shall be the basis for settling any dispute concerning the execution of the Order.

25.7 Under Applicable Regulations, the Company will keep records containing Client personal data, trading information, account opening documents, communications and anything else which relates to the Client for at least five years after termination of the Client Agreement.

## 26. Amendment of the Agreement

26.1. The Company may upgrade or replace the Trading Platform or enhance the services offered to the Client if it reasonably considers this is to the Clients advantage and there is no increased cost to the Client.

26.2. The Company may also change any terms of the Agreement for any of the following reasons:

1) changes in the functioning of products or services offered by the Company to which the provisions of the Terms and Conditions apply;

2) introduction by the Company of new products or services to which the provisions of the Terms and Conditions apply;

3) changes in IT systems used for provision of services by the Company to which the Terms and Conditions apply;

4) when the amendment is required due to:

a) the law amendments regulating products or services offered by the Company,

b) request of CySEC or of any other authority or as a result of change or expected change in Applicable Regulations.

e) Where the Company finds that any term in the Agreement is inconsistent with Applicable Regulations.

26.3. In the event of a change in the provisions of the Agreement or Costs and Charges, the Company shall provide the Client with information about the change so that the Client may terminate the Agreement within the notice period prior to the changes comes into effect.

26.4. Modified Agreement and Costs and Charges the Company shall disclose to the Client in electronic form to the e-mail address provided by the Client and via the Client CRM Portal.

26.5. In case of favorable changes, for the Client, it is permissible to inform the Client only in electronic form to the e-mail address provided by the Client.

26.6. The Client, not expressing his consent for the proposed changes to the Agreement or the Costs and Charges, may, prior to the effective date, raise objections and terminate the Agreement at the notice of termination or with immediate effect.

26.7. Where the Customer objects in accordance with paragraph. 26.6, but do not terminate the Agreement, the Agreement shall expire on the date preceding the effective date of the proposed amendment.

26.8. No objection by the Client against proposed changes is considered to be a consent to change the provisions of the Agreement or the Costs and Charges.

26.9. The Company shall have the right to review its costs, fees, charges, commissions, financing fees, swaps, trading conditions, available instruments, execution rules, roll over policy and trading hours. Such changes shall be disclosed on the Website and /or in the Client CRM Portal and the Client is responsible to check for updates regularly.

## 27. Termination and Results of Termination

27.1. The Parties may terminate the Agreement with a 14 days' notice. The term of notice shall begin on the day the notice is delivered to the other party.

27.2. Closing the Account, the Company calls the Client to close all Open Positions and to Withdraw the cash balance within the notice period.

27.3. Once notice of termination of this Agreement is sent and before the termination date:

- a) the Client will have an obligation to close all his Open Positions,
- b) the Client will have an obligation to submit a Withdrawal order,
- c) the Company will be entitled to refuse to accept new Orders from the Client.

27.4. Upon Termination date the Company has the right to close the Client's Open Positions.

27.5. Liquidation of the Account occurs after the termination or expiration of the Agreement provided all Open positions are closed and balance of the Account is equal to zero.

27.6. The Company may terminate the Client's Agreement in case of:

- 1) breach by the Customer of the material terms of the Agreement,
- 2) non-payment by the Client, despite the call, fees and commissions given in the Costs and Charges,
- 3) if there are no cash on the Account for the next 3 calendar months, no transactions were made and no positions are opened,
- 4) withdrawal of the Company from offering the service specified in the Agreement,
- 5) disclosure of the Client's submission of false statements or submission of false or untrue documents,
- 6) unlawful use of the Account.

27.7. The Agreement expires in case of receiving a written, confirmed, by the competent authority, information about the death of the Client. In such case the Company is entitled to close all Open Positions on the Client's Trading Accounts.

## 28. Force Majeure

28.1. A Force Majeure Event includes without limitation each of the following and which makes it impossible or very impractical for the Company to comply with the Agreement:

a) Government actions, the outbreak of war or hostilities, the threat of war, acts of terrorism, national emergency, riot, civil disturbance, sabotage, requisition, or any other international calamity, economic or political crisis,

b) Act of God, earthquake, tsunami, hurricane, typhoon, accident, storm, flood, fire, epidemic or other natural disaster,

c) Suspension of trading on a market or the liquidation or closure of any market, or the fixing of minimum or maximum prices for trading on a market to which the Company relates its Quotes, or the imposition of limits or special or unusual terms on the trading in any such market or a regulatory ban on the activities of any party (unless the Company has caused that ban), decisions of state authorities, governing bodies of self-regulating organizations, decisions of governing bodies of organized trading platforms,

d) A financial services moratorium having been declared by appropriate regulatory authorities or any other acts or regulations of any regulatory, governmental, supervisory, regulatory or supranational body or authority,

e) Breakdown, failure or malfunction of any electronic, network and communication lines (not due to the bad faith or willful default of the Company),

f) Any event, act or circumstances not reasonably within the Company's control and the effect of that event(s) is such that the Company is not in a position to take any reasonable action to cure the default.

28.2. If the Company determines in its reasonable opinion that a Force Majeure Event exists (without prejudice to any other rights under the Agreement) the Company may without prior notice and at any time take any or all of the following steps, as necessary:

- a) Suspend or modify the application of any or all terms of the Agreement to the extent that the Force Majeure Event makes it impossible or impractical for the Company to comply with them,
- b) Take or omit to take all such other actions as the Company deems to be reasonably appropriate in the circumstances with regard to the position of the Company, the Client and other clients,
- c) Shut down the Trading Platform, in case of malfunction, for maintenance or to avoid damage,
- d) Refuse to accept Clients Orders,
- e) Increase Margin requirements without notice,
- f) Increase Spreads,
- g) Decrease Leverage.

28.3. Except as expressly provided in this Agreement, the Company will not be liable or have any responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing its obligations under this Agreement where such failure, interruption or delay is due to a Force Majeure event.

## 29. Limitations of Liability and Indemnity <sup>®</sup>

29.1 In the event the Company provides information, recommendations, news, information relating to transactions, market commentary or research to the Client (or in newsletters which it may post on its Website or provide to subscribers via its Website or otherwise), the Company shall not, in the absence of its fraud, willful default or gross negligence, be liable for any losses, costs, expenses or damages suffered by the Client arising from any inaccuracy or mistake in any such information given.

29.2 The Company will not be held liable for any loss or damage or expense or loss incurred by the Client in relation to, or directly or indirectly arising from but not limited to:

- a) Any error or failure in the operation of the Trading Platform,
- b) Any delay caused by the Trading Platform,
- c) Transactions made via the Trading Platform,
- d) Any failure by the Company to perform any of its obligations under the Agreement as a result of Force Majeure Event or any other cause beyond its control,
- e) The acts, omissions or negligence of any third party,
- f) Any person obtaining the Client's Access Data that the Company has issued to the Client prior to the Client's reporting to the Company of the misuse of his Access Data,
- g) All Orders given through and under the Client's Access Data,
- h) Unauthorized third persons having access to information, including electronic addresses, electronic communication, personal data and Access Data when the above are transmitted between the Parties or any other party, using the internet or other network communication facilities, post, telephone, or any other electronic means,
- i) A delay transmitting any Order for Execution,



- j) Currency risk,
- k) Occurrence of Slippage,
- l) Any of the risks relating to Forex and CFDs trading materializes,
- m) Any changes in the rates of tax,
- n) Use of Trailing Stop and/or Expert Adviser;
- o) The Client relying in Stop Loss Orders;

29.3 If the Company incurs any claims, damage, liability, costs or expenses, which may arise in relation to the execution or as a result of the execution of the Agreement and/or in relation to the provision of the Services and/or in relation to any Order it is understood that the Company bears no responsibility whatsoever and it is the Client's responsibility to indemnify the Company for such.

29.4 The Company shall in no circumstances be liable to the Client for any consequential, special or indirect losses, damages, loss of profits, loss of opportunity (including in relation to subsequent market movements), costs or expenses the Client may suffer in relation to the Agreement.

29.5 In the event of a negative balance in a retail Client account, the Company will not file a claim against the Client for that amount, except in cases where the Client has used illicit methods to create it.

## 30. Representations and Warranties

30.1. The Client represents and warrants to the Company the following:

- a) The Client is over 18 years old.
- b) The Client is not a resident of Japan, USA, Canada and Turkey and FATF blacklisted countries as the Company does not accept Clients from these countries and from any other countries where special legal conditions or limitations exists.
- c) The Client is of sound mind and capable of taking decisions for his own actions.
- d) The Client is duly authorized to enter into the Agreement, to place Orders and to perform its obligations hereunder.
- e) The Client is an individual who has completed the Account Opening Application Form.
- f) The information provided by the Client to the Company in the Account Opening Application Form and at any time thereafter is true, accurate and complete and the documents handed over by the Client are valid and authentic.
- g) The Client has read, fully understood and accepts the terms of the Agreement. By accepting the Agreement, Client enters into legally binding agreement with us. The Agreement shall be binding upon and shall inure to the benefit of the parties and their permitted successors and assigns.
- h) The Client has read and understands the Risk Disclosure.
- i) The Client is acting as a principal and not as agent or representative or trustee or custodian on behalf of someone else.

j) The Client funds used for trading are not in any direct or indirect way the proceeds of any illegal activity or used or intended to be used for terrorist financing.

k) All actions performed under the Agreement will not violate any law or rule applicable to the Client or to the jurisdiction in which the Client is resident, or any agreement by which the Client is bound or by which any of the Client's assets or funds are affected.

l) The Client is not a Politically Exposed Person and does not have any relationship (for example relative or business associate) with a person who holds or held in the last twelve months a prominent public position. If the above statement is untrue and in the event that the Client has not disclosed this already in the Account Opening Application Form, he will inform the Company as soon as possible will notify the Company if at any stage during the course of this Agreement he becomes a Politically Exposed Person.

## 31. Complaints and Disputes

31.1 If the Client wishes to report an error or a complaint he should proceed according to Compliant Handling Policy and Procedure.

## 32. Applicable and Governing Law and Applicable Regulations

32.1. All disputes and controversies arising out of or in connection with the Agreement shall be settled in court in Cyprus.

32.2. This Agreement is governed by the Laws of Cyprus.

## 33. Severability

33.1. Should any part of this Agreement be held by any Court of competent jurisdiction to be unenforceable or illegal or contravene any rule, regulation or by law of any Market or regulator, that part will be deemed to have been excluded from this Agreement from the beginning, and this Agreement will be interpreted and enforced as though the provision had never been included and the legality or enforceability of the remaining provisions of the Agreement or the legality, validity or enforceability of this provision in accordance with the law and/or regulation of any other jurisdiction, shall not be affected.

## 34. Non-Exercise of Rights

34.1 The Company's failure to seek redress for violations, or to insist upon strict performance, of any condition or provision of this Agreement, or its failure to exercise any or part of any of right or remedy to which the Company is entitled under this Agreement, shall not constitute an implied waiver thereof.

## 35. Assignment

35.1. The Company may at any time sell, transfer, assign or novate to a third party any or all of its rights, benefits or obligations under this Agreement or the performance of the entire Agreement subject to providing 14 Business Days prior Written Notice to the Client. This may be done without limitation in the

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event of merger or acquisition of the Company with a third party, reorganization of the Company, winding up of the Company or sale or transfer of all or part of the business or the assets of the Company to a third party.

35.2. It is agreed and understood that in the event of transfer, assignment or novation described in paragraph 35.1 above, the Company shall have the right to disclose and/or transfer all Client Information (including without limitation personal data, recording, correspondence, due diligence and client identification documents, files and records, the Client trading history) transfer the Client Account and the Client Money as required, subject to providing 14 Business Days prior Written Notice to the Client.

35.3. The Client may not transfer, assign, charge, novate or otherwise transfer or purport to do so the Client's rights or obligations under the Agreement.

## 36. Authorized Representative

36.1. The Client has no possibility of appointing authorized representative to the Account.

